

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6963**

**BILL NUMBER:** HB 1348

**NOTE PREPARED:** Jan 9, 2006

**BILL AMENDED:**

**SUBJECT:** Language Requirement and Illegal Aliens.

**FIRST AUTHOR:** Rep. Koch

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
X FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires official documents, transactions, proceedings, meetings, or publications issued, conducted, or regulated by, on behalf of, or representing the state to be issued, conducted, or regulated in the English language. The bill provides for certain exceptions.

The bill requires that workforce development activities and welfare-to-work programs include outreach to immigrants who are legally present in the United States. It also specifies that a state contract for the performance of services must contain a provision that specifies that only citizens of the United States and permanent legal resident aliens in the United States may be employed in performance of services under the contract or a subcontract awarded under the contract.

The bill requires an individual who is at least 19 years of age and applying for certain public assistance to provide identification or, if the individual is unable to provide identification, an affidavit under oath that verifies the individual is a citizen of the United States or legally present in the United States before the individual may receive the public assistance. It allows an individual who is denied public benefits to appeal.

The bill also makes it a Class C misdemeanor for a person to knowingly or intentionally hire or employ an illegal alien.

The bill requires the Superintendent of the State Police to negotiate with the United States Department of Justice to create a pilot project authorizing State Police employees to perform certain immigration enforcement functions. The bill also removes a reference to a planning council that has been repealed.

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:** *Department of Workforce Development (DWD):* The bill requires DWD to include outreach to immigrants who are legally present in the United States as a part of its activities. The bill does not define outreach. The DWD reports that it currently produces all of its pamphlets in both English and Spanish. In addition, portions of its website are available in Spanish as well. Should the DWD decide to conduct additional outreach activities, additional expenditures would be dependent on administrative action.

*Welfare-to-Work:* The bill requires the welfare-to-work program to provide outreach services for legal immigrants. During 2005, the Governor signed Executive Order 05-01 which authorized the Family and Social Services Administration (FSSA) and the DWD to enter into inter-agency agreements or memoranda of understanding to consolidate all job training programs. The DWD reports that the welfare-to-work program is in the process of being moved from the FSSA to the DWD. The program is currently inoperable and will be up and running in approximately one year and a half. It is not known if this program will include outreach to legal immigrants. Changes in the program and increases or decreases in expenditures as proposed by the bill would be dependent on administrative action.

*Public Assistance:* This bill requires a person who is 19 years of age and who applies for public assistance (or benefits, assistance, or coverage) from the FSSA, Department of Child Services (DCS), State Department of Health (SDH), or a township trustee providing township assistance, to provide identification. Identification includes a driver's license, passport, Social Security number, or another form of identification approved for verification by the FSSA, DCS, SDH, or township trustee showing that the person is a citizen of the United States or legally present in the United States. A person who is unable to provide proof of identification may provide an affidavit under oath attesting that they are a citizen of the United States or legally present in the United States in order to receive public assistance. As proposed, the person would not be eligible for public assistance if they do not provide identification or an affidavit.

This provision of the bill could potentially reduce the number of persons in the state who are eligible for public assistance and, in conjunction with this, reduce expenditures for the state. This could result in savings for the state or allow the state to redirect the funds to other persons needing services within a program for which services were not provided under the bill.

The number of persons who are not United States citizens or legally present in the United States that are currently receiving some sort of public assistance are unknown. In addition, actual types of services which would fall under the definition of public assistance are not specifically defined in the bill. Actual savings for the state would be dependent on the number of persons no longer eligible for services and the type and cost of services that they were receiving. [Note: Some of these programs may be reimbursable by the federal government. Should the state not reallocate the funds to other persons within a program for services, the state could potentially reduce its overall federal funding.]

*Background Information:* The SDH and DCS report that they currently do not have any services which are restricted to only United States citizens and persons legally present in the United States. The types of services provided by township trustees which might be restricted to certain persons may vary by county and are unknown.

The FSSA reports that services under Medicaid, Food Stamps, and Temporary Assistance for Needy Families (TANF) are restricted to persons legally present in the United States. This restriction has one exception. Under

Medicaid, persons illegally present in the United States are eligible for emergency services. It is currently unknown if this provision of the bill would disallow the state from providing these services. This would be dependent on federal regulations. [Note: This fiscal note will be updated when additional information becomes available.]

*Penalty Provision:* A person who knowingly provides false information on a public document commits a Class A misdemeanor if they knowingly obtain public relief or assistance by means of impersonation, fictitious transfer, false or misleading oral or written statement, fraudulent conveyance, or other fraudulent means commits a Class A misdemeanor. It is a Class D felony if the amount of public relief or assistance involved is more than \$250 but less than \$2,500 or the amount is more than \$250 and the person has a prior conviction of welfare fraud. It is a Class C felony if the amount of public relief or assistance involved is \$2,500 or more.

A Class C felony is punishable by a prison term ranging from two to eight years depending upon mitigating and aggravating circumstances. A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months. It is approximately 2 years for a Class C felony.

The table below presents information pertaining to the number of persons convicted of welfare fraud between FY 2000 and FY 2005.

	2000	2001	2002	2003	2004	2005
<b>Class C</b>	10	9	9	13	11	12
<b>Class D</b>	5	5	4	8	3	3

*Appeals:* A person who is denied assistance may appeal to the entity that has denied the public assistance. The FSSA, DCS, SDH, and township trustee would likely experience an increase in workload as a result. The number of persons appealing would likely be small. Under the bill, persons may provide an affidavit if they do not have proper identification. Thus, actual increases in workload are likely minimal.

*Adoption of Rules:* The bill allows the FSSA, DCS, SDH, or township trustee to adopt rules to implement the provisions of the bill. All entities should be able to adopt rules within their existing level of resources.

*Indiana State Police (ISP) Pilot Program:* Not later than November 1, 2006, the ISP superintendent must seek to enter into a memorandum of understanding with the U.S. Department of Justice to create a pilot project that authorizes ISP employees to perform certain immigration enforcement functions. Not later than December 1, 2006, the superintendent must report electronically to the Legislative Council the progress of entering into a memorandum of understanding. The above provisions will increase administrative expenses for the ISP. However, the ISP will be able to cover any expenses associated with the memorandum.

If a pilot program were adopted and implemented, costs to the ISP for local incarceration would increase by an indeterminable amount. The average cost per day for incarceration in county jails is approximately \$44.

*Hiring or Employing Illegal Aliens:* The bill makes it a Class C misdemeanor to knowingly or intentionally hire or employ an illegal alien.

*Indiana Department of Administration (IDOA) Contracts:* The bill requires the IDOA to include a provision in all state contracts which specifies that only citizens of the United States and permanent legal resident aliens in the United States may be employed in performances of services under the contract or a subcontract awarded under the contract. This provision of the bill would apply only to contracts entered into or renewed after June 30, 2006. The IDOA would be responsible for ensuring that all state contracts for services contain this provision, administrative duties and costs would increase for the IDOA as a result. Actual increases are indeterminable. However, they are likely to be minimal.

**Explanation of State Revenues:** *Penalty Provision:* If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class C or D felony is \$10,000, and it is \$5,000 for a Class A misdemeanor. Any additional revenues would likely be small.

**Explanation of Local Expenditures:** *Penalty Provision:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small. A Class A misdemeanor is punishable by up to one year in jail.

See also *Explanation of State Expenditures*.

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

**State Agencies Affected:** Family and Social Services Administration; Department of Child Services; State Department of Health; Department of Correction; Indiana State Police; Indiana Department of Administration; Department of Workforce Development.

**Local Agencies Affected:** Township trustees; Trial courts, local law enforcement agencies.

**Information Sources:** Indiana State Police; Ronald Stiver, Department of Workforce Development; Brooke Huntington, Department of Workforce Development.

**Fiscal Analyst:** Sarah Brooks, 317-232-9559.